

*76-0707*

Executive Registry
76-8137/1

JUN 11 1976

MEMORANDUM FOR: Mr. E. H. Knoche

SUBJECT: OMB

1. We have taken the actions called for in your Memorandum for the Record of 7 June 1976 describing your conversation with Messrs. Stubbing and Sitrin.

2. I <sup>have provided</sup> [sent to] Dave Sitrin <sup>with</sup> a copy of the description of the DDO management review system furnished earlier to Congress, and offered to provide further information if he wants it. A copy is attached for your information.

3. [ ] and I have talked with Dave Sitrin and <sup>acquainted</sup> opened the door for further discussions about how to better [relate] OMB examiners to the CIA process. This will be a continuing thing, with IC Staff as well, but we foresee no real problems.

4. [ ] talked with [ ] about reprogramming controls. They are wrestling this problem for CFI compliance with the Executive Order, and we will continue to work with them.

[ ]

JOHN D. IAMS  
Comptroller

Attachment: As Stated

Orig - Addressee, w/copy of att

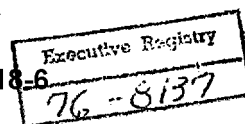
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7 June 1976

MEMORANDUM FOR THE RECORD

SUBJECT: OMB

1. I had lunch today with Dick Stubbing and Dave <sup>*Sitron*</sup>-Citron, two senior members of OMB. The get-together was at their initiative.

2. They were generally curious as to how I intend to operate as DDCI and I gave them a brief rundown of my intentions. Primarily my hopes are of creating a small collective management team that will focus on meaningful issues and develop plans and timetables for their eventual resolution.

3. They reacted favorably and then indicated four general matters of concern to them.

a. One of OMB's "issues" is to determine the worth of HUMINT. I explained that the DDO has developed an evaluation process and is proud of it. I pointed out that I myself know little about the process and want to be educated. I noted that Snodgrass of the House Appropriations Committee has been pressing hard to get copies of these evaluations and all of us are concerned that our embryonic evaluation processes can be totally undone by outside requests for access. If the time comes that our evaluations are carried out with an eye on outside concerns, it will be almost impossible to keep the evaluations objective. Accordingly, it was left that I would see if there would not be some way to describe to OMB the nature of the DDO process perhaps citing a few examples to illuminate it.

b. The Director of OMB and others continue to wonder whether or not it would be advisable for them to provide us with more money for special projects in the analysis and production area. Discussion of this later clearly showed that the basic concept here is whether or not we have properly balanced our resource allocations. I said I thought this was

(EXECUTIVE REGISTRY FILE *Knock DDCI*)

a problem for internal management and future decisions internally should take care of this. I did point out, however, that I felt we had too long adjusted to last year's money marks for next year's budgets and that in the future we could well be seeking additional resources from OMB, the President and the Congress.

c. How can the OMB examiners better relate to the CIA "process"? The three of us agreed that full participation by OMB would only chill our own process and therefore is not advisable, but I did pledge that OMB examiners will have as much time to study our programmatic decisions as in the past. I also promised that we would find ways to permit OMB to feed us their questions and their suggested issues so that we can use them in the course of our own internal reviews.

d. Director Lynn continues to feel the need for reprogramming controls within the intelligence world. Discussion of this showed that this is a Community problem more than it is a CIA problem and I urged them to take the subject up with [REDACTED] 25X1A  
(We should vote our own stock I think with the IC Staff on this question.)

[REDACTED]  
E. H. Knoche

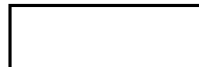
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cc: CIA Comptroller  
D/DCI/IC

MEMORANDUM FOR: Comptroller

Jack:

Can you please take the necessary actions  
with regard to the items described in the attached?



L. H. Knoche

Attachment:  
MFR, Subject: OMB

Date 7 June 1976

25X1A